

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07 CEA-01
/086 W

-----019303 081809Z /64

R 081725Z MAR 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 6538
DEPARTMENT TREASURY
INFO AMEMBASSY BRUSSELS
AMEMBASSY PARIS

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 04230

USEEC AND USOECD
DEPARTMENT PASS FRB AND CEA

E.O. 11652: N/A
TAGS: EFIN, GW
SUBJECT: INDUSTRIAL PRODUCTION AND NEW
ORDERS IN JANUARY

1. JUDGING FROM PRELIMINARY FIGURES, THE LATE 1977
ACCELERATION OF INDUSTRIAL PRODUCTION CONTINUED IN
EARLY 1978. THE OVERALL PRODUCTION INDEX (SEASONALLY
ADJUSTED; 1970 EQUALS 100) ADVANCED FROM 117 IN DECEMBER
1977 TO 119 IN JANUARY 1978. THE TWO-MONTH COMPARISON
DECEMBER/JANUARY WITH OCTOBER/NOVEMBER SHOWED AN
INCREASE OF 3.1 PERCENT, REFLECTING AN APPRECIABLE
PICK-UP IN THE OUTPUT OF CAPITAL GOODS AND CONSTRUCTION,
WHEREAS OUTPUT OF CONSUMER GOODS STAGNATED.

2. BY CONTRAST, THE MONTHS-OLD PICK-UP OF NEW
INDUSTRIAL ORDERS CAME TO A HALT EARLY THIS YEAR. IN
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FACT, THE SEASONALLY ADJUSTED OVERALL INDEX OF THE
VOLUME OF NEW ORDERS (1970 EQUALS 100) DECLINED FROM
ITS UPWARD REVISED DECEMBER LEVEL OF 124 TO A
PRELIMINARY 114 IN JANUARY, DUE PRIMARILY TO A DIP IN
FOREIGN DEMAND AND A MONTH-TO-MONTH DECLINE IN
DOMESTIC ORDERS FOR CAPITAL GOODS.

3. A COMPARISON OF THE TWO-MONTH PERIOD DECEMBER/JANUARY WITH OCTOBER/NOVEMBER, WHICH TENDS TO SMOOTH THE USUAL SHORT-TERM FLUCTUATIONS AND TURN-OF-THE-YEAR STATISTICAL ABERRATIONS, SHOWS A 1.3 PERCENT INCREASE IN TOTAL NEW ORDERS, WITH AN INCREASE IN THE VOLUME OF NEW DOMESTIC ORDERS, PARTICULARLY FOR CAPITAL GOODS, OVERCOMPENSATING A MODEST DECLINE IN EXPORT ORDERS.

4. FOLLOWING BELOW ARE TABLES SHOWING PRELIMINARY PRODUCTION AND ORDER VOLUME DATA FOR JANUARY, ALONG WITH REVISED EARLIER MONTHS' FIGURES IN THE SERIES.

TABLE I
INDUSTRIAL PRODUCTION INDEX
SEASONALLY ADJUSTED (1970 EQUALS 100)

THEREOF				
1977 TOTAL CONSTRUCTION CAPITAL GOODS CONSUMER GOODS				
JAN	114	90	115	116
FEB	114	97	114	113
MAR	116	101	117	115
APR	114	97	114	114
MAY	113	96	113	114
JUNE	114	100	114	115

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JULY	113	97	114	111
AUG	114	97	116	118
SEPT	114	97	117	117
OCT	114	98	115	116
NOV	115	98	115	115
DEC	117	101	119	117

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INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
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1978

JAN 119 103 123 114

TABLE II
 NEW ORDERS VOLUME
 SEASONALLY ADJUSTED (1970 EQUALS 100)

1977	TOTAL	DOMESTIC	FOREIGN
----	-----	-----	-----
JAN	108	102	136
FEB	110	100	138
MAR	113	101	151
APR	112	100	144
MAY	110	98	144
JUNE	109	99	140
JULY	106	99	130
AUG	111	101	145

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SEPT 113 106 134
 OCT 117 107 151
 NOV 118 107 151
 DEC 124 114 156

1978

JAN 114 106 145

TABLE III
 DOMESTIC CAPITAL AND CONSUMER GOODS
 NEW ORDERS VOLUME
 SEASONALLY ADJUSTED (1970 EQUALS 100)

1977	CAPITAL GOODS	CONSUMER GOODS
----	-----	-----
JAN	102	102
FEB	101	100
MAR	100	100
APR	98	102
MAY	96	101
JUNE	98	101
JULY	99	103
AUG	101	110
SEPT	109	106
OCT	113	103
NOV	118	100
DEC	126	104
1978		

JAN	113	103

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Message Attributes

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Concepts: INDUSTRIAL PRODUCTION, PRODUCTION
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Draft Date: 08 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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